



City Hall
601 4th Avenue E.
Olympia, WA 98501
360-753-8244

City Council

Approval of Amendment to Ordinance 6947 (Operating Budget)

Agenda Date: 4/14/2015
Agenda Item Number: 3.E
File Number: 15-0310

Type: ordinance **Version:** 2 **Status:** Passed

Title

Approval of Amendment to Ordinance 6947 (Operating Budget)

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve amending ordinance on second reading.

Report

Issue:

Amendment to Ordinance 6947

Staff Contact:

Dean Walz, Fiscal Services Director, Administrative Services Department, 360.753.8465

Presenter(s):

Dean Walz, Fiscal Services Director

Background and Analysis:

The background and analysis have not changed from first to second reading.

To change the budget the Council must approve a new ordinance amending the budget. Generally, budgetary amendments are made quarterly. On occasion, a budget change needs to be made between the quarterly updates and a separate ordinance will come before the council. These ordinances do not officially amend the budget ordinance, but does provide authorization to expend funds. The attached ordinance reflects ordinances which may have been adopted relating to the budget since the last quarterly update, and other proposed changes to the budget.

One ordinance was passed since the adoption of ordinance 6947 relating to the Operating Budget. The ordinance passed on March 31, 2015, which appropriated General Fund, fund balance for the following purposes:

\$450,000 Fire Equipment Reserve

\$360,000	CFP Contingency
\$350,000	Percival Landing
\$250,000	Downtown Strategy
\$200,000	Information Technology
\$108,680	LEOFF 1 Retiree post-employment benefits
\$ 90,410	Parking Management (special account)
\$ 70,000	Pedestrian Crossing
\$ 50,000	\$1 per Capita for Arts
\$ 50,000	Holly Landing
\$ 40,000	Sidewalk Repair
\$ 17,000	Interfaith Works Shelter
<u>\$ 8,979</u>	Council Goals
\$2,045,069	

The above fund balance resources were generated from 2014 budget savings and revenues excess of anticipated revenues.

The ordinance also appropriated funds identified above which will be transferred to various General Fund sub-funds:

\$290,410	Special Account Control Fund (Information Technology & Parking Management)
\$ 50,000	Municipal Arts Fund

Budget Items Not Previously Presented to the Council:

- 1) Appropriation of \$333,452 within the General Fund for additional cost of living increases (1%). 2015 costs of living increases were based on the percent of increase in sales tax in 2014 over 2013. The 2015 budget included a 2% cost of living increase. Labor contract required a cost of living increase of 3% if sales tax increased between 4% and 5% in 2014 over 2013. The sales tax increase in 2014 was 4.88%. The appropriation is funded from additional sales tax projected to be received in 2015.
- 2) Appropriation of \$68,732 for an additional 0.50 FTE in engineering to provide inspection back-up services to the Community Development & Planning Department (CP&D). The appropriation includes funding for the FTE and fund for CP&D to pay for the engineering services. The net increase of new revenue (\$33,000) will be provided by anticipated additional permit fees.
- 3) Appropriation of \$20,000 within the Information Technology account in the Special Accounts Control Fund, for software to support the Fire Department fleet management operations. Funding is provided by the Fire Department.
- 4) Appropriation of \$8,000 for Police Department management and supervision training. Funding is provided by a contribution from the Nisqually Tribe.
- 5) Appropriation and additional \$3,500 for the Ambassador Program. The original 2015 budget anticipated \$30,000 for funding to be provided by the Parking and Business Improvement Area (PTBA). The final PTBA budget provided \$33,500 for the Ambassador Program.
- 6) Appropriation of \$1,750 for crime prevention program supplies. Funding is provided by a donation from the Washington Auto Theft Prevention Agency.
- 7) Appropriation of \$250,000 for City Hall data center and generator upgrade project. Funding is provided by funds remaining in the City Hall Construction Fund.
- 8) Appropriation of \$95,000 for the Fire Department vehicle and equipment repair inventory.

Funding will be from charges to other agencies for vehicle and equipment repair services. The City provides vehicle and equipment repair and maintenance services to five agencies.

Previously, each agency purchased and provided its own inventory. The maintenance of multiple inventories is inefficient. This will allow for a single inventory.

Neighborhood/Community Interests (if known):

None noted.

Options:

- 1) Approve ordinance amending ordinance 6947.
- 2) Do not approve the amending ordinance. The budget items not previously presented to the Council would not be authorized.

Financial Impact:

Total increase appropriations by \$3,165,913. Funding for these appropriations is noted above.